

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------|---|---------------------|
| PURCHASED GAS ADJUSTMENT |) | |
| FILING OF DUKE ENERGY |) | CASE NO. 2012-00137 |
| KENTUCKY, INC. |) | |

O R D E R

On December 29, 2009, in Case No. 2009-00202,¹ the Commission approved rates for Duke Energy Kentucky, Inc. ("Duke") and provided for their further adjustment in accordance with Duke's Gas Cost Adjustment ("GCA") clause.

On April 10, 2012, Duke filed its GCA to be effective May 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Duke's Expected Gas Cost ("EGC") is \$4.150 per Mcf, which is an increase of \$.355 per Mcf from its previous EGC of \$3.795 per Mcf.
3. Duke's notice sets out its current quarter Refund Adjustment ("RA") of (\$.001) per Mcf. Duke's total RA is (\$.004) per Mcf, which represents no change from its previous total RA.

¹ Case No. 2009-00202, Application of Duke Energy Kentucky, Inc. for an Adjustment of Rates (Ky. PSC Dec. 29, 2009).

4. Duke's notice sets out its current quarter Actual Adjustment ("AA") of \$.174 per Mcf. Duke's total AA is (\$.134) per Mcf, which represents no change from its previous total AA.

5. Duke's notice sets out a current quarter Balancing Adjustment ("BA") of \$.000 per Mcf. Duke's total BA of \$.004 per Mcf represents no change from its previous total BA.

6. Duke's Gas Cost Recovery ("GCR") rate is \$4.016 per Mcf, which is an increase of \$.355 per Mcf from its previous GCR of \$3.661 per Mcf.

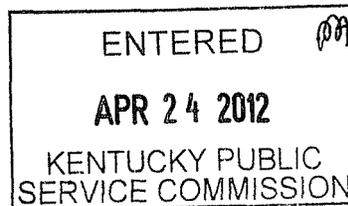
7. The rates as proposed by Duke and set forth in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Duke on and after May 1, 2012.

IT IS THEREFORE ORDERED that:

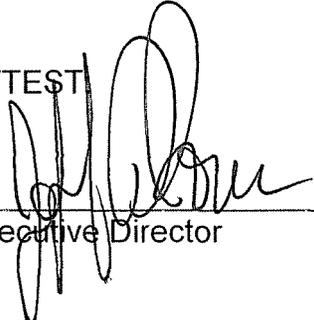
1. The rates proposed by Duke and set forth in the Appendix to this Order are approved for final meter readings on and after May 1, 2012.

2. Within 20 days of the date of this Order, Duke shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00137 DATED APR 24 2012

The following rates and charges are prescribed for the customers served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

| | <u>Base Rate</u> | | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|------|--------------------------------|-----------------------|
| Commodity Charge for All Ccf Consumed | \$.37213 | plus | \$.4016 | \$.77373 |

RATE GS
GENERAL SERVICE

| | <u>Base Rate</u> | | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|--|--------------------------------|-----------------------|
| Commodity Charge for All Ccf Consumed | \$.20530 | | \$.4016 | \$.6069 |

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be (\$.0134) per 100 cubic feet. This rate shall be in effect during the months of March 2012 through May 2012 and shall be updated quarterly, concurrent with the Company's GCA filings.

John Linton
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Cincinnati, OH 45201